



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Midwestern Connecticut Council on Alcoholism, Inc.

**Docket Number:** 05-30605-CON

**Project Title:** Closure of Midwestern Connecticut Council on Alcoholism, Inc. in Middlebury

**Statutory Reference:** Section 19a-638 of the Connecticut General Statutes

**Filing Date:** February 3, 2006

**Decision Date:** June 29, 2006

**Default Date:** July 18, 2006

**Staff Assigned:** Paolo Fiducia

**Project Description:** Midwestern Connecticut Council on Alcoholism, Inc. (“Applicant”) is proposing to close its Middlebury, Connecticut service location, with no associated capital expenditure.

**Nature of Proceedings:** On February 3, 2006, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Midwestern Connecticut Council on Alcoholism, Inc. to close its Middlebury, Connecticut service location, with no associated capital expenditure. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA’s receipt of the Applicant’s CON application was published in the *The Waterbury Republican*, Waterbury, on October 24, 2005. OHCA received no responses from the public concerning the Applicant’s proposal. Pursuant to Public Act 05-75, three individuals or an individual representing an entity with five or more people had until May 10, 2006, the twenty-first calendar day following the filing of the Applicant’s CON Application, to request that OHCA hold a public hearing on the Applicant’s proposal. OHCA received no hearing requests from the public by May 10, 2006.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-638, C.G.S. The provisions of this section as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

## Findings of Fact

### Clear Public Need

#### Impact of the Proposal on the Applicant's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Midwestern Connecticut Council on Alcoholism, Inc. ("Applicant") is a health care provider that provides outpatient and day and evening treatment for substance abusive or dependent persons and a multi-service psychiatric outpatient clinic for adults at 20 Woodside Avenue, Unit A, in Middlebury, Connecticut. (*October 12, 2005 Letter of Intent, page 5*)
2. The Applicant other service location are as follows:

**Table 1: Applicant's other programs**

<b>Name of Program</b>	<b>Location</b>	<b>Services</b>
MCCA/Ridgefield	90 East Ridge Road, Ridgefield	Psychiatric Outpatient Clinic for Adults with Multi-Service Component Facility for the Care or Treatment of Substance Abusive or Dependent Persons
MCCA	38 Old Ridgebury Road, Danbury	Facility for the Care or Treatment of Substance Abusive or Dependent Persons
MCCA	23 Poplar Street, New Milford	Facility for the Care or Treatment of Substance Abusive or Dependent Persons
MCCA A.R.T. Program	57 West Rocks Road, Norwalk	Facility for the Care or Treatment of Substance Abusive or Dependent Persons

(*Department of Public Health Bed and Service Listings*)

3. The Applicant opened its Middlebury office in the spring of 2002 providing group and individual counseling for substance abusing people, members of their families as well as individuals with co-occurring substance abuse and mental health disorders. (*February 3, 2006 Initial CON Application Submission, page 3*)
4. The Applicant is proposing to terminate services at its Middlebury location. (*February 3, 2006 Initial CON Application Submission, page 3*)

5. The Applicant states that management decided to implement the closing process of the Middlebury location authorized by the Board of Directors on June 22, 2004 and confirmed on September 27, 2005. *(February 3, 2006 Initial CON Application Submission, page 2)*
6. According to the Applicant, the number of referrals from the Access to Recovery (“ATR”) and the Department of Mental Health and Addiction Services General Assistance Behavioral Health Program were not significant despite various community relations initiatives undertaken to familiarize the greater Waterbury community, resulting in significant operating losses. *(February 3, 2006 Initial CON Application Submission, page 2)*
7. The Middlebury office was open five days per week and two evenings until 9:30 pm. On an as needed basis, it was sometimes open Saturday mornings. *(February 3, 2006 Initial CON Application Submission, page 3)*
8. The Applicant states that the primary service area towns for the proposal are Waterbury, Woodbury, Watertown, Middlebury and Southbury, and the secondary service area towns include Naugatuck, Wolcott and New Milford. *(February 3, 2006 Initial CON Application Submission, page 3)*
9. The Applicant based the need to terminate the service programs at the Middlebury location on the following factors:
  - Referrals for new clients never materialized.
  - Significant operating losses were realized.
  - Reimbursement levels did not increase.*(February 3, 2006 Initial CON Application Submission, pages 2 & 3)*
10. The General Assistance Behavioral Health Program is a fee for service program rather than a grant. Therefore, according to the Applicant, the Department of Mental Health and Addiction Services stopped funding the General Assistance Behavioral Health Program at Middlebury when it paid its last claim under that program for a service provided at the Middlebury site. That service was delivered on July 8, 2005, and paid on October 3, 2005. *(April 19, 2006 Supplemental Material Submitted, page 2)*
11. The Applicant states that of the 34 clients that were on the active roster on October 5, 2005, roughly half were in the process of completing treatment with MCCA and not in need of continuing treatment options. The other half were referred to a range of providers including Morris Foundation, private practitioners, Family Intervention Services and at least in one case a person was placed in residential treatment as her condition required that level of care. *(April 19, 2006 Supplemental Material Submitted, page 3)*

12. The following table shows to which provider the clients were referred to:

**Table 2: Providers to Whom Clients were Referred from MCCA Middlebury**

Referral Source	Number Referred
AA	7
Court	1
CVH	1
Family Intervention Center	2
Federal Probation	1
Detoxification	1
MCCA Danbury Outpatient	3
Morris Foundation	3
None	9
Private Therapist	3
Refused Referral	2
St. Mary's Hospital Abuse Program	1

*(April 19, 2006 Supplemental Material Submitted, page 6)*

13. The following table shows the number of admissions at Middlebury during FY 03–FY 05:

**Table 3: Number of admissions at Middlebury during FY 03 – FY 05:**

Location	FY 03	FY 04	FY 05
Middlebury	174	138	96

*(February 3, 2006 Initial CON Application Submission, page 25 and April 19, 2006 Supplemental Material Submitted, page 12)*

14. The following table shows the Applicant's proposal timetable:

**Table 4: Applicant's proposal timetable**

	Date
Termination Effective	11/05/05
State agency notified DPH DMHAS	10/05/05
Notified OHCA	10/05/05
Returned licenses to DPH	02/21/06

*(April 19, 2006, Supplemental Material Submitted, page 1)*

15. The Applicant states that no clients have been treated in Middlebury since November 25, 2005. On February 21, 2006 the licenses were mailed to the Department of Public Health ("DPH"). *(April 19, 2006 Supplemental Material Submitted, page 1)*

16. The following table shows the projected number of admissions at Middlebury for FY 06 – FY 08:

**Table 5: Projected number of admissions at Middlebury for FY 06 – FY 08:**

Location	FY 06	FY 07	FY 08
Middlebury	82	0	0

(February 3, 2006 Initial CON Application Submission, page 21 and April 19, 2006 Supplemental Material Submitted, page 10)

OHCA can not verify these projections.

17. The Applicant stated that Morris Foundation, CT Counseling Centers, St. Mary’s Hospital, Behavioral Health of Waterbury Hospital, Southbury/Middlebury Youth & Family Services and Newtown youth Services are the existing providers of adult males and females with chemical dependency and/or co-occurring disorders in the primary and secondary service area. (February 3, 2006 Initial CON Application Submission, page 5)

18. The Applicant’s current payer mix for the Middlebury location is as follows: (February 3, 2006, Initial CON Application Submission, Page 10)

**Table 6: Payer Mix for the Middlebury location**

<u>Payer Mix</u>	<u>Middlebury</u>
Medicaid	6.0%
<b>Total Government Payers</b>	6.0%
Commercial	80.0%
Self-Pay	14%
<b>Total Non-Government Payers</b>	94.0%
<b>Total Payer Mix</b>	<b>100.00%</b>

**Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicant’s Rates and Financial Condition  
Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services  
Consideration of Other Section 19a-637, C.G.S.  
Principles and Guidelines**

19. The project has no associated capital expenditure. (February 3, 2006 Initial CON Application Submission, page 9)
20. The Applicant actual and projected losses from total operations for the Middlebury location are (\$84,365) and (\$111,761) for FY 2005 and FY 2006, respectively. (February 3, 2006 Initial CON Application Submission, page 126)
21. There is no State Health Plan in existence at this time. (February 3, 2006 Initial CON Application Submission, page 2)
22. The Applicant has adduced evidence that the proposal is consistent with the Applicant’s long-range plan. (February 3, 2006 Initial CON Application Submission, page 2)

23. The Applicant has improved productivity and contained costs by the application of computer systems. *(February 3, 2006 Initial CON Application Submission, page 8)*
24. The proposal will not result in any change to the Applicant's teaching and research responsibilities. *(February 3, 2006 Initial CON Application Submission, page 9)*
25. The Applicant states that the current patient/physician mix will not change. *(February 3, 2006 Initial CON Application Submission, page 9)*
26. The Applicant has sufficient technical and managerial competence and expertise to provide efficient and adequate service to the public. *(February 3, 2006 Initial CON Application Submission, page 8)*

## Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for Certificate of Need (“CON”) proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

Midwestern Connecticut Council on Alcoholism, Inc. (“Applicant”) is a health care provider that provides outpatient and day and evening treatment for substance abusive or dependent persons and a multi-service psychiatric outpatient clinic for adults at 20 Woodside Avenue, Unit A, in Middlebury, Connecticut. The Applicant is proposing to terminate services at its Middlebury location due to lack of referrals resulting in operating losses.

The number of referrals from the Access to Recovery (“ATR”) and the Department of Mental Health and Addiction Services General Assistance Behavioral Health Program did not materialize despite various community relations initiatives undertaken to familiarize the greater Waterbury community. The Department of Mental Health and Addiction Services stopped funding the General Assistance Behavioral Health Program at Middlebury when it paid its last claim under that program for a service provided at the Middlebury site. That service was delivered on July 8, 2005, and paid on October 3, 2005. The Applicant stated that it had 174, 138 and 96 admissions in FY 03, FY 04 and FY 05, respectively. Of the 34 clients that were on the active roster on October 5, 2005, at the same time when it notified OHCA of its intent to close its Middlebury office, roughly half were in the process of completing treatment with MCCA and were not in need of continuing treatment options. The other half were referred to a range of providers including Morris Foundation, private practitioners, Family Intervention Services and at least in one case a person was placed in residential treatment as her condition required that level of care. No clients have been treated in Middlebury since November 25, 2005. On February 21, 2006 the licenses were mailed to the Department of Public Health. Since OHCA was deprived of the opportunity to review the information prior to closure, it can not determine that patient access was not impacted.

The proposal to terminate its services at Middlebury has no associated capital expenditure. The Applicant actual and projected losses from total operations for Middlebury are (\$84,365) and (\$111,761) for FY 2005 and FY 2006, respectively.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Midwestern Connecticut Council on Alcoholism, Inc. to terminate its services in Middlebury, at no associated capital expenditure is hereby GRANTED.

## **Order**

The proposal of Midwestern Connecticut Council on Alcoholism, Inc. to close its Middlebury, Connecticut service location, with no associated capital expenditure is hereby GRANTED.

Midwestern Connecticut Council on Alcoholism, Inc. shall hereafter notify OHCA of any and all proposed termination of services prior to finalizing any decision to terminate any services or programs. Failure to notify OHCA in advance of any proposed termination of services may be considered as not filing required information and subject Midwestern Connecticut Council on Alcoholism, Inc. to civil penalties pursuant to Section 19a-653, C.G.S.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Office of Health Care Access

June 29, 2006

Signed by Cristine A. Vogel  
Commissioner

CAV:pf